

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

OPEN MEETING MINUTES

October 8, 2020

The regular meeting of the Maryland Small Business Development Financing Authority convened at 1:00 p.m. via teleconference only at 470-869-2200/meeting ID 428-245-6027 due to the COVID-19 pandemic.

The following were in attendance at this meeting:

Authority Members	MMG Staff
Les Hall	Randy Croxton
Sharon Pinder	Mark Harrison
Mara Sierocinski	Stanley Tucker
Gina Ramsey	Mike Howard
Clem Kaikis	Tim Smoot
Laura Pasternak	Robin Harris
Kenny Oreagba	
Chuck Martin	

Attorney General's Office
Barbara Kountz, Deputy Counsel

AGENDA

MINUTES

September 24, 2020

EXTENSIONS

MainStreet Technologies, Inc.
Point of Excellence Beauty Academy, LLC
FlightFab, Inc.
J. Marshall & Associates, LLC

NEW REQUEST

Phenomenal, LLC

REPORT

Thomas Llewellyn. DDS & Associates, P.A.
Salus Capital, Inc. dba Eagle Physical Therapy & Rehabilitation
Max's Taxes Corporation

The closed session of the September 24, 2020, meeting was summarized. The Authority Board meeting was attended by Les Hall, Gina Ramsey, Sharon Pinder, Clem Kaikis, Laura Pasternak, Mara Sierocinski, and Kenny Oreagba. The meeting was closed to comply with requirements of the Maryland Public Information Act so that there would not be disclosure of confidential, commercial, and financial information associated with the applicants. The renewal request of Physical and Sports Rehab, Inc. was approved. Twelve of the thirteen COVID-19 loan requests were approved. The Strategy First, LLC (Covid-19) request failed due to lack of a second to a motion to approve. The meeting was closed to discuss the following:

MSBDFA Loan Guaranty Fund

Physical and Sports Rehab, Inc. – renewal of \$100,000 line of credit

COVID 19 Emergency Relief Loan Fund

1. Salus Capital, Inc. - \$39,500
2. Trinity Transportation Service, LLC - \$25,000
3. Klub Kid, LLC - \$30,500
4. Your Journey Family Services, LLC - \$30,515
5. Upward Enterprises, Inc. - \$29,500
6. Smart Capital Associates USA, LLC - \$29,500
7. Thomas Llewellyn, D.D.S. & Associates, P.A. - \$39,000
8. Bright Colors Painting, LLC - \$29,500
9. Breaking Bread, LLC - \$29,500
10. Shay Ventures, Inc. - \$29,500
11. World Class Barbers, LLC - \$29,000
12. Max's Taxes Corporation - \$39,500

MINUTES

September 24, 2020

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the minutes as presented.

EXTENSION

Presenter: Randy Croxton

Applicant: MainStreet Technologies, Inc.

Loan Amount: \$750,000 Line of Credit

Original Approval Date: March 31, 2016

Request: A 60-day maturity date extension to December 10, 2020 was requested to allow more time to prepare for a renewal.

Discussion: There was limited discussion regarding the COVID-19 pandemic economic impact on the company.

EXTENSION

Presenter: Randy Croxton

Applicant: Point of Excellence Beauty Academy, LLC

Loan Amount: 1. \$50,000 EPIP Term Loan
2. \$250,000 Surety Bond Direct

Comments: An approval extension for both facilities to December 10, 2020 was requested to allow more time to settle the two facilities.

Discussion: There was limited discussion regarding the timing of the pending certification of the borrower to begin operations.

EXTENSION

Presenter: Tim Smoot

Applicant: Flight Fab, Inc.

Loan Amount: \$800,000 Contract Financing Line of Credit

Original Approval Date: September 12, 2019

Request: A 30-day maturity date extension of the line of credit to November 12, 2020 was requested.

Discussion: There was limited discussion regarding MMG's communication with the borrower regarding the timing of its graduation from the program.

EXTENSION

Presenter: Tim Smoot

Applicant: J. Marshall & Associates, LLC

Loan Amount: \$100,000 EPIP Line of Credit

Comments: A 60-day approval extension to December 10, 2020 was requested.

Discussion: There was limited discussion regarding the request.

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the four extension requests as presented.

REPORT

Presenter: Randy Croxton

Comments: On September 24, 2020, the MSBDFA Authority approved three COVID-19 Emergency Relief Loan Fund loans to Thomas Llewellyn. DDS & Associates, P.A. (\$39,000), Salus Capital, Inc. dba Eagle Physical Therapy & Rehabilitation (\$39,500) and Max's Taxes Corporation (\$39,500). The amounts were derived by distributing funds from a declined loan to the aforementioned three loans. The distribution was done due to this being the last of the Covid-19 Loan Funds available. The distribution at the Authority meeting was not correct. There was only \$25,000 to divide among the three loans, not the \$29,500 that was used. As a result, the loans to Thomas Llewellyn DDS & Associates, P.A., Salus Capital, Inc. dba Eagle Physical Therapy & Rehabilitation and Max's Taxes Corporation will be \$37,800 each.

Discussion: There was limited discussion regarding the report.

Action Taken: No action was required. Les Hall, Chairman, approved the request on behalf of the Authority.

REPORT

Presenter: Randy Croxton

Comments: The MSBDFA COVID-19 Emergency Loan Relief Fund was initially projected to be fully committed by December 31, 2020, but has been fully committed with 64 loans approved as of September 30, 2020. MMG thanked the Authority board members for committing additional time to review, meet, and approve the financing requests of the fund.

Discussion: There was limited discussion regarding the report.

Action Taken: No action was required. Les Hall also echoed Mr. Croxton's sentiments regarding the appreciation for the time and effort of the Authority members.

REPORT

Presenter: Les Hall

Comments: The Department of Commerce has established a new COVID-19 relief fund source, the Maryland Economic Adjustment Fund, providing up to \$150,000 to credit worthy borrowers adversely affected by the COVID-19 pandemic. The Department of Commerce received \$700,000 for these loans from the U.S. Economic Development Administration.

Discussion: There was limited discussion regarding the report.

Action Taken: Les Hall will circulate a fact sheet for the program to the board members and MMG for referrals.

REPORT

Presenter: Randy Croxton

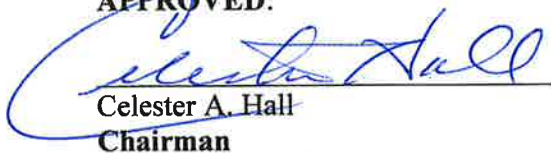
Comments: MMG has been awarded an additional \$1.5 million in VLT funding from the Department. The award is subject to approval by the Board of Public Works (BPW) in November.

Discussion: There was limited discussion regarding the report.

Action Taken: MMG was requested to inform the board of BPW's decision.

The Open Meeting then closed at 1:35 p.m. upon motion made and seconded, and approved by all voting members, the meeting was closed pursuant to General Provisions Article, Section 3-305(b) (13), "to comply with a specific... statutory... requirement that prevents public disclosures about a particular proceeding or matter", that is, the Maryland Public Information Act prohibits disclosure of trade secrets, confidential commercial and confidential financial information. Chairman Les Hall signed the Presiding Officer's Written Statement for Closing a Meeting under the Open Meetings Act, which is attached to these minutes as an exhibit.

APPROVED:


Celester A. Hall
Chairman

DATE:

12-15-20

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

**PRESIDING OFFICER'S WRITTEN STATEMENT FOR CLOSING A MEETING
UNDER THE OPEN MEETINGS ACT
(General Provisions Article § 3-305)**

1. Recorded vote to close the meeting:

Date: October 8, 2020

Time: 1:36 pm – 2:00 pm

Location: Held by conference call only due to COVID 19 pandemic at
470.869.2200/640 305 7494

Motion to close meeting made by: Clemis Kaikis; Seconded by Sharon Pinder

Vote to Close Session:

	AYE	NAY	ABSTAIN	ABSENT
Celester Hall, Chair, Designee Secretary of Commerce	[x]	[]	[]	[]
Clemis Kaikis, designee of Comptroller	[x]	[]	[]	[]
Charles Martin	[x]	[]	[]	[]
Kehinde Oreagba	[x]	[]	[]	[]
Laura Pasternak	[x]	[]	[]	[]
Sharon Pinder	[x]	[]	[]	[]
Gina Ramsey	[x]	[]	[]	[]
Mara Sierocinski	[x]	[]	[]	[]

2. Citation of statutory authority to close session (check all that apply): This meeting is being closed under General Provisions Article § 3-305(b), only:

____ (1) To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; any other personnel matter that affects one or more specific individuals;

___ (2) To protect the privacy or reputation of individuals concerning a matter not related to public business;

___ (3) To consider the acquisition of real property for a public purpose and matters directly related thereto;

___ (4) To consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State;

___ (5) To consider the investment of public funds;

___ (6) To consider the marketing of public securities;

X (7) To consult with counsel to obtain legal advice on a legal matter;

___ (8) To consult with staff, consultants, or other individuals about pending or potential litigation;

___ (9) To conduct collective bargaining negotiations or consider matters that relate to the negotiations;

___ (10) To discuss public security, if the public body determines that public discussion would constitute a risk to the public or to public security, including: (i) the deployment of fire and police services and staff; and (ii) the development and implementation of emergency plans;

___ (11) To prepare, administer, or grade a scholastic, licensing, or qualifying examination;

___ (12) To conduct or discuss an investigative proceeding on actual or possible criminal conduct;

X (13) To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter;

___ (14) Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiating strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.

3. Disclosure of the topics to be discussed, for each citation checked above:

§3-305(b)(13) topics: Discussion and evaluation of the applications received from potential borrowers for financial assistance under programs of the Maryland Small Business Development Financing Authority, which applications include the disclosure of financial information of private individuals and confidential commercial and financial information.

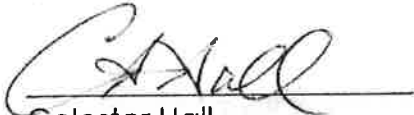
§3-305(b)(7) topics: Legal advice from counsel to the Authority with respect to the applications.

4. For each topic listed in #2, disclosure of the reason for discussing it in closed session rather than in open session:

§3-305(b)(13): Financial information of private individuals is protected from disclosure under the Maryland Public Information Act (§4-336) and confidential commercial and financial information is protected from disclosure under the Maryland Public Information Act (§4-335).

§3-305(b)(7): Protection of the attorney-client privilege.

This statement is made by Celester Hall, Chair of the Maryland Small Business Development Financing Authority, Presiding Officer.



Celester Hall
Chair